

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**CONSOLIDATED BALANCE SHEET**  
As of June 30, 2010 and 2009

|   | <u>2010 Consolidated</u>       | <u>Restated<br/>2009 Consolidated</u> |
|---|--------------------------------|---------------------------------------|
| <b>1. ASSETS (Note 2)</b>   |                                |                                       |
| A. Intragovernmental:   |                                |                                       |
| 1. Fund Balance with Treasury (Note 3)                                    | \$ 39,774,646.33               | \$ 5,000,000.00                       |
| 2. Investments (Note 4)   | 167,606,879,057.65             | 148,545,050,207.10                    |
| 5. Total Intragovernmental Assets   | <u>\$ 167,646,653,703.98</u>   | <u>\$ 148,550,050,207.10</u>          |
| C. Accounts Receivable, Net (Note 5)                                      | 321,956,069.89                 | 20,477,541.15                         |
| <b>2. TOTAL ASSETS</b>  | <u>\$ 167,968,609,773.87</u>   | <u>\$ 148,570,527,748.25</u>          |
| <b>3. STEWARDSHIP PROPERTY, PLANT &amp; EQUIPMENT (Note 10)</b>           |                                |                                       |
| <b>4. LIABILITIES (Note 11)</b>   |                                |                                       |
| A. Intragovernmental:   |                                |                                       |
| 1. Accounts Payable (Note 12)   | \$ 76,993,395.08               | \$ 84,738,638.40                      |
| 4. Total Intragovernmental Liabilities                                    | <u>\$ 76,993,395.08</u>        | <u>\$ 84,738,638.40</u>               |
| B. Accounts Payable (Note 12)   | \$ 286,971,381.41              | \$ 157,631,401.16                     |
| C. Military Retirement and Other Federal<br>Employment Benefits (Note 17) | 510,121,380,000.00             | 500,845,181,000.00                    |
| <b>5. TOTAL LIABILITIES</b>   | <u>\$ 510,485,344,776.49</u>   | <u>\$ 501,087,551,039.56</u>          |
| <b>6. COMMITMENTS AND CONTINGENCIES (NOTE 16)</b>                         |                                |                                       |
| <b>7. NET POSITION</b>  |                                |                                       |
| D. Cumulative Results of Operations - Other Funds                         | (342,516,735,002.62)           | (352,517,023,291.31)                  |
| <b>8. TOTAL NET POSITION</b>  | <u>\$ (342,516,735,002.62)</u> | <u>\$ (352,517,023,291.31)</u>        |
| <b>9. TOTAL LIABILITIES AND NET POSITION</b>                              | <u>\$ 167,968,609,773.87</u>   | <u>\$ 148,570,527,748.25</u>          |

**Department of Defense**  
**DoD Medicare-Eligible Retiree Health Care Fund**  
**CONSOLIDATED STATEMENT OF NET COST**  
**For the periods ended June 30, 2010 and 2009**

|                                  | <b>2010 Consolidated</b>      | <b>2009 Consolidated</b>      |
|----------------------------------|-------------------------------|-------------------------------|
|                                  | <hr/>                         | <hr/>                         |
| <b>1. Program Costs</b>          |                               |                               |
| A. Gross Costs                   | \$ 6,400,963,743.57           | \$ 6,360,583,050.81           |
| Military Retirement Benefits     | 6,400,963,743.57              | 6,360,583,050.81              |
| C. (Less: Earned Revenue)        | (25,460,746,616.80)           | (20,553,410,354.67)           |
| <b>2. Net Cost of Operations</b> | <u>\$ (19,059,782,873.23)</u> | <u>\$ (14,192,827,303.86)</u> |

Department of Defense

DoD Medicare-Eligible Retiree Health Care Fund

CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION

For the periods ended June 30, 2010 and 2009

|   | <u>2010 Earmarked Funds</u> | <u>2010 All Other Funds</u> |
|---|-----------------------------|-----------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b> |                             |                             |
| 1. Beginning Balances                   | \$ 0.00                     | \$ (361,576,517,875.85)     |
| 3. Beginning balances, as adjusted      | <u>0.00</u>                 | <u>(361,576,517,875.85)</u> |
| 7. Net Cost of Operations (+/-)         | <u>0.00</u>                 | <u>(19,059,782,873.23)</u>  |
| 8. Net Change                           | <u>0.00</u>                 | <u>19,059,782,873.23</u>    |
| 9. Cumulative Results of Operations     | <u>0.00</u>                 | <u>(342,516,735,002.62)</u> |
| 16. Net Position                        | \$ 0.00                     | \$ (342,516,735,002.62)     |

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended June 30, 2010 and 2009

|   | <u>2010 Eliminations</u> | <u>2010 Consolidated</u>    |
|---|--------------------------|-----------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b> |                          |                             |
| 1. Beginning Balances                   | \$ 0.00                  | \$ (361,576,517,875.85)     |
| 3. Beginning balances, as adjusted      | <u>0.00</u>              | <u>(361,576,517,875.85)</u> |
| 7. Net Cost of Operations (+/-)         | <u>0.00</u>              | <u>(19,059,782,873.23)</u>  |
| 8. Net Change                           | <u>0.00</u>              | <u>19,059,782,873.23</u>    |
| 9. Cumulative Results of Operations     | <u>0.00</u>              | <u>(342,516,735,002.62)</u> |
| 16. Net Position                        | \$ 0.00                  | \$ (342,516,735,002.62)     |

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended June 30, 2010 and 2009

|   | <u>Restated<br/>2009 Earmarked Funds</u> | <u>Restated<br/>2009 All Other Funds</u> |
|---|--|--|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b> |  |  |
| 1. Beginning Balances                   | \$ 0.00                                  | \$ (366,709,850,595.17)                  |
| 3. Beginning balances, as adjusted      | <u>0.00</u>                              | <u>(366,709,850,595.17)</u>              |
| 7. Net Cost of Operations (+/-)         | <u>0.00</u>                              | <u>(14,192,827,303.86)</u>               |
| 8. Net Change                           | <u>0.00</u>                              | <u>14,192,827,303.86</u>                 |
| 9. Cumulative Results of Operations     | <u>0.00</u>                              | <u>(352,517,023,291.31)</u>              |
| 16. Net Position                        | \$ 0.00                                  | \$ (352,517,023,291.31)                  |

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**CONSOLIDATED STATEMENT OF CHANGES IN NET POSITION**  
For the periods ended June 30, 2010 and 2009

|   | <u>2009 Eliminations</u> | <u>2009 Consolidated</u>    |
|---|--------------------------|-----------------------------|
| <b>CUMULATIVE RESULTS OF OPERATIONS</b> |                          |                             |
| 1. Beginning Balances                   | \$ 0.00                  | \$ (366,709,850,595.17)     |
| 3. Beginning balances, as adjusted      | <u>0.00</u>              | <u>(366,709,850,595.17)</u> |
| 7. Net Cost of Operations (+/-)         | <u>0.00</u>              | <u>(14,192,827,303.86)</u>  |
| 8. Net Change                           | <u>0.00</u>              | <u>14,192,827,303.86</u>    |
| 9. Cumulative Results of Operations     | <u>0.00</u>              | <u>(352,517,023,291.31)</u> |
| 16. Net Position                        | \$ 0.00                  | \$ (352,517,023,291.31)     |

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**COMBINED STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended June 30, 2010 and 2009

|                                     | <u>2010 Combined</u>               | <u>2009 Combined</u>               |
|-------------------------------------|------------------------------------|------------------------------------|
| <b>BUDGETARY FINANCING ACCOUNTS</b> |                                    |                                    |
| <b>BUDGETARY RESOURCES:</b>         |                                    |                                    |
| 3. Budget authority                 |                                    |                                    |
| 3.A. Appropriation                  | 32,588,000,000.00                  | 34,887,000,000.00                  |
| 3.E. Subtotal                       | <u>32,588,000,000.00</u>           | <u>34,887,000,000.00</u>           |
| <b>7. Total Budgetary Resources</b> | <u><u>\$ 32,588,000,000.00</u></u> | <u><u>\$ 34,887,000,000.00</u></u> |

Department of Defense  
DoD Medicare-Eligible Retiree Health Care Fund  
**COMBINED STATEMENT OF BUDGETARY RESOURCES**  
For the periods ended June 30, 2010 and 2009

|   | <u>2010 Combined</u>         | <u>2009 Combined</u>         |
|---|------------------------------|------------------------------|
| <b>Status of Budgetary Resources:</b>                     |                              |                              |
| 8. Obligations incurred:                                  |                              |                              |
| 8.A. Direct   | \$ 6,831,849,324.54          | \$ 6,540,368,086.09          |
| 8.C. Subtotal   | <u>6,831,849,324.54</u>      | <u>6,540,368,086.09</u>      |
| 9. Unobligated balance:                                   |                              |                              |
| 9.A. Apportioned  | 2,288,745,675.46             | 2,165,347,913.91             |
| 9.C. Subtotal   | <u>2,288,745,675.46</u>      | <u>2,165,347,913.91</u>      |
| 10. Unobligated balance not available                     | 23,467,405,000.00            | 26,181,284,000.00            |
| <b>11. Total status of budgetary resources</b>            | <u>\$ 32,588,000,000.00</u>  | <u>\$ 34,887,000,000.00</u>  |
| <b>Change in Obligated Balance:</b>                       |                              |                              |
| 12. Obligated balance, net                                |                              |                              |
| 12.A. Unpaid obligations, brought forward, October 1      | \$ 173,191,726.96            | \$ 240,101,346.69            |
| 12.C. Total unpaid obligated balance                      | 173,191,726.96               | 240,101,346.69               |
| 13. Obligations incurred net (+/-)                        | <u>6,831,849,324.54</u>      | <u>6,540,368,086.09</u>      |
| 14. Less: Gross outlays                                   | (6,222,568,455.81)           | (6,300,019,591.18)           |
| 18. Obligated balance, net, end of period                 |                              |                              |
| 18.A. Unpaid obligations                                  | 782,472,595.69               | 480,449,841.60               |
| 18.C. Total, unpaid obligated balance, net, end of period | <u>782,472,595.69</u>        | <u>480,449,841.60</u>        |
| <b>Net Outlays</b>  |                              |                              |
| <b>19. Net Outlays:</b>                                   |                              |                              |
| 19.A. Gross outlays                                       | 6,222,568,455.81             | 6,300,019,591.18             |
| 19.C. Less: Distributed Offsetting receipts               | (14,600,095,106.70)          | (10,212,654,594.27)          |
| <b>19.D. Net Outlays</b>                                  | <u>\$ (8,377,526,650.89)</u> | <u>\$ (3,912,635,003.09)</u> |